

TENNESSEE GENERAL ASSEMBLY  
FISCAL REVIEW COMMITTEE



**FISCAL NOTE**

**SB 1292 - HB 1454**

March 10, 2021

**SUMMARY OF BILL:** Prohibits any employer from paying any employee, whose earning or productive capacity is impaired by age, physical, or mental deficiency, or injury, no less than the federal minimum wages, regardless of the federally-authorized subminimum wage.

Defines “employer” as an individual, partnership, association, corporation, business trust, legal representative, or any organized group of persons, not involved in interstate commerce, acting directly or indirectly in the interest of an employer in relation to an employee.

**ESTIMATED FISCAL IMPACT:**

**NOT SIGNIFICANT**

Assumptions:

- The State of Tennessee has no set minimum wage.
- Based on information provided by the Department of Human Resources, this legislation will have no impact on state government as the State of Tennessee currently pays employees with impairments and disabilities no less than the federal minimum wage, as set by the Fair Labor and Standards Act (FLSA), currently set at \$7.25.
- Local government must also pay its employees \$7.25 per hour.
- This legislation is estimated to have no significant impact on state or local government.

**IMPACT TO COMMERCE:**

**Increase Business Expenditures – Exceeds \$5,000/FY21-22 and Subsequent Years**

Assumptions:

- The State of Tennessee has no set minimum wage.
- Based on information from the U.S. Department of Labor, as of January 1, 2021, only one non-profit entity statewide has been issued certificates to pay nine employees at subminimum hourly wage.
- Furthermore, four additional non-profit entities have pending certificate requests, of an unknown number, that would allow for employment of individuals at subminimum wages.

- The exact wage earned by such current and future employees and the number of hours worked by such employees per annum is unknown.
- It is reasonably assumed that this legislation will result in a recurring increase in expenditures to these non-profits, estimated to exceed \$5,000, beginning in FY21-22.

**CERTIFICATION:**

The information contained herein is true and correct to the best of my knowledge.

A handwritten signature in black ink that reads "Bojan Savic". The signature is written in a cursive, flowing style.

Bojan Savic, Interim Executive Director

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